

Runnymede Borough CouncilECONOMIC DEVELOPMENT COMMITTEE12 January 2006 at 7.30pm

Members of the Committee present: Councillors J.R. Furey (Chairman), J.E. Haas (Vice-Chairman), M.J. Brown, Mrs E. Gill, Mrs L.M. Gillham, Ms R.E. Haylor, Miss M. N. Heath, Mrs Y.P. Lay, R.J. Ray and Mrs M. Roberts

Members of the Committee absent: None

Councillors A. Alderson and C. Knight also attended.

478. NOTIFICATION OF CHANGE TO COMMITTEE MEMBERSHIP

The Conservative Group had notified the Chief Executive Officer of its wish that Councillor C.J. Ruane be removed from membership of the Committee and that Councillor Ms R.E. Haylor be appointed in his place for a fixed period ending on the day after the meeting. Thereafter Councillor Ruane would be re-appointed.

The Chief Executive Officer had given effect to this request in accordance with Section 16(2) of the Local Government and Housing Act 1989.

479. MINUTES

The Minutes of the meeting of the Committee held on 15 September 2005 were confirmed and signed as a correct record.

480. DECLARATION OF INTEREST

Councillor J.E. Haas declared a personal and prejudicial interest under the Runnymede Code of Conduct for Members in respect of the item concerning the 'Bourne and Memorial Gardens Car Park, Virginia Water - Potential Development', owing to his Chairmanship of the Board of adjacent property. Councillor Haas withdrew from the room whilst this item was considered.

481. YELLOW BUS SERVICE - BID BALLOT AND FUTURE OPTIONS

(Ref: Minutes of Economic Development Committee, June 2005, page 45, para. 73)

The Committee considered the future operation of the Yellow School Bus Service in the light of the recent unsuccessful second BID ballot.

The details of the unsuccessful outcome of the recent BID ballot were noted and as a consequence the Committee was informed of the financial implications of continuation of the service. The scheme, so far, had been funded from student fares, Section 106 Contributions and sponsorship. As the current level of Section 106 monies used to support the service was unlikely to be sustained in the future to provide the two-thirds fare subsidy and there was no scope to fund the scheme from the General Fund without making compensatory reductions in other budgets, the Committee reviewed the funding of the Scheme and considered various options, including abandonment of the service.

The option preferred by the Committee involved a fare increase from £1.00 to £1.50 for all schools subject to annual review, sponsorship from 6-12 companies at £7,500 per annum each, and reduced dependency on Section 106 monies from £168,000 to £50,000 per annum. It was hoped that those companies which had, in discussions, expressed support for the BID would provide the company sponsorship. The fare increase would need to be subject to consultation with the users, although an initial consultation with parents prior to Christmas had indicated support for a fare increase up to £1.50. It was noted that the fares had not increased for the last 4 years so it was agreed that an annual review should take place in future.

The Runnymede Business Partnership supported the continuation of the service with a revised funding regime.

RESOLVED that -

the operation of the Yellow Bus Service be continued subject to the revised funding arrangements set out above, and fares be reviewed annually in the future.

482. REVENUE ESTIMATES 2006/07

The Committee gave consideration to the draft Revenue Estimates and fees and charges for the Committee's services in 2006/07.

With regard to the proposed fees and charges for provision of copies of plans and replying to technical questions relating to Highways and Engineering services, it was agreed that these charges be increased to £10 for A4 size plans, £12 for A3 size plans, £25 for larger than A3 size plans and a minimum fee of £100 be charged for replying to technical questions.

With regard to the Economic Development Estimates, the Director of Finance reported three changes to the submitted Estimates, namely:-

- a) the probable outturn for 2005/06 on Car Parks had been increased by £6,000 to reflect the cost of free car parking over Christmas;
- b) following the approval earlier in the meeting of the revised funding arrangements for the Yellow Bus Project, the 2006/07 estimate for the Runnymede Travel Initiative had been reduced from £152,800 to £35,100 on the assumption that no costs would fall on the General fund;
- c) the 2006/07 estimate for Corporate Land and Property Holdings had been reduced by £23,000 to reflect the additional income associated with the proposed letting of 10 High Street, Egham.

RESOLVED that -

- i) the draft Revenue Estimates, as amended, for 2006/07 be approved and the Corporate Management Committee be requested to make provision accordingly; and**
- ii) the proposed schedules of charges for 2006/07, as amended, be approved to be effective either from the first week of April 2006 or 1 April 2006 as appropriate.**

483. MR PAUL SURREY (VALUER TO THE COUNCIL) AND MRS STEPHANIE SURREY (ADMINISTRATIVE ASSISTANT TO THE VALUER)

The Chairman announced that after 16 years service, Paul Surrey would be leaving the Authority on 27 January 2006 to take up a position at Torbay Council. The Chairman expressed his appreciation of Paul's professionalism and commitment over the years which was reflected in many significant achievements on property related transactions which had been of benefit to the Council and the residents of the Borough.

The Chairman also expressed appreciation to Stephanie Surrey, who would also be leaving, for all her work in the Property Section, especially for her tenacious approach on debt/rent recovery.

The Chairman and Members of the Committee wished Paul and Stephanie all the best for the future. Mr. Surrey thanked the Chairman and Committee Members for their kind words.

484. PROPERTY SERVICES - PERFORMANCE REVIEW

The Committee received details of the performance of key aspects of the Property Services function, particularly in respect of the local performance indicators identified in the Asset Management Plan.

Members noted that activity in the current financial year could be summarised as follows:

Acquisitions	-	nil
Disposals completed	-	£0.537m
Disposals Agreed awaiting completion	-	£7.076m
Current Rent Roll	-	£1.53m
Voids	-	£4,750
Arrears at 30 November	-	£30,856

Voids amounted to 0.3% of the total rent roll against a target rate of 2%. During the course of the year five tenants had served notice to quit. One property had been successfully re-let, terms agreed for a second and a tenant identified for the third. The other two were due to vacate by the end of January and March respectively. These two units represented 6.1% of the total rent roll and efforts were being made to re-let these as quickly as possible.

The letting market was very difficult and these units were over rented. Any new lettings would therefore probably result in a £10,000 to £20,000 reduction in rent recoverable. Officers hoped to cover this shortfall through a better than forecast increase in rents generally.

Arrears amounted to 2% against a target rate of 2%. A large part of the current arrears, however, related to the backdating of increased rent accruing during rent review negotiations. These had now been restructured into the rent payable.

New Leases and rent reviews had increased the rent receivable by £75,000 per annum.

The Borough Valuer had been heavily involved in major projects such as Civic Offices re-provision, Roakes Avenue and Wapshott Road developments as well as promoting other major schemes in Virginia Water, Addlestone and Egham which had yet to come to fruition.

Progress in developing Service Reviews and individual Property Reviews as envisaged by the Asset Management Plan had been slow owing to other priorities.

485. NON-OPERATIONAL PROPERTY PORTFOLIO REVIEW

(Ref: Minutes of Economic Development Committee, January 2004, page 1186, para. 647 and September 2005, page 441, para 262)

In accordance with the requirements of the Asset Management Plan, Members received details of the position regarding a number of non-operational property transactions.

The Committee noted that the sale of the Stoneylands Club had been delayed because of concerns regarding the proposals for the redevelopment of the Working Men's Club site, the proceeds from which would fund the development of the new Club, and planning applications for both sites had subsequently been withdrawn. A new application on this site had now been submitted and it was hoped to complete within the current financial year.

With regard to the relocation of the Samaritans from or within land at Ledger Drive, Addlestone, a change in the management of the Samaritans had led to a change in direction and it was now proposed to retain the existing building at Ledger Drive and to replace the mobile unit with a larger one. This could involve the relocation of the pigeon club and, if so, the Samaritans would bear the cost of relocation. A report would be brought to Committee in due course.

With regard to the development of a new park in Egham Hythe, the presence of slow worms on the site had led to a delay as surveys and a methodology for dealing with slow worms were required. Owing to hibernation of the slow worms work could not commence on site until Spring 2006 at the earliest. The planning application had been submitted.

A planning application for development of Barrsbrook Farm as a nature reserve was also intended to be submitted in the Spring of 2006.

Rationalisation of the electricity sub-station leases was being actively pursued but it was proving difficult to bring the matter to a conclusion. Officers would report to a future Committee at the earliest opportunity.

All outstanding matters regarding the disposal of the Blays Lane site had now been resolved and a planning application was imminent.

The prospect of a joint development of the Virginia Water Car Parks together with Network Rail land was now being taken forward by a major developer. The plan was for a mixed use development incorporating a supermarket with residential above. A detailed scheme was in the course of being drawn up with a view to a public consultation exercise in June.

486. REFERENCES FROM OTHER COMMITTEES

(a) Housing and Community Services Committee - 11 January 2006

Appropriation of Housing Land

The Committee considered a reference from the Housing and Community Services Committee regarding the transfer from Housing purposes of a play area between the Addlestone Community Centre and Marnham Place.

The play area occupied land that was now required for the re-siting of the new Civic Offices. In addition to this area of land, the access road and some of the parking areas adjacent to it in Marnham Place would also be affected by the proposed Civic Offices development. However, the extent of any changes to these specific areas were not yet known and a further report would therefore be brought to both the Housing and Community Services Committee and to the Economic Development Committee in March regarding these additional areas of land.

Following a consultation exercise with residents, Officers were currently developing proposals to separately re-locate the fixed play equipment for younger children and to re-site the Multi-Use Games Area (MUGA). The cost of relocation would be met from the capital budget for the Civic Offices re-provision.

In view of the land requirements associated with the re-siting of the Civic Offices and as alternative arrangements for the play equipment and MUGA were being made, it was

RESOLVED that -

the Committee assent to the appropriation of the land identified by the cross-hatching in Appendix 'A' from Housing purposes to the purpose of the Local Government Act 1972 to enable the new Civic Offices to be built on the site.

(b) Englefield Green Committee - 23 November 2005

Englefield Green Cricket Pavilion

The Committee received a reference from the Englefield Green Committee that a 28 year lease of the Cricket Pavilion be offered to Englefield Green Cricket Club, the long-standing occupier of the premises, following the recent surrender of the lease by the original Trustees.

The extended term of the lease would provide the Club with the security of tenure demanded by grant providers so as to assist it in the funding of an ambitious programme of repairs and improvements to the fire damaged facility. The lease would be subject to five yearly rent reviews but would initially be a peppercorn to reflect the repairing obligations. There would be no loss of income since the previous lease had been on similar terms. The proposed arrangements would ensure the refurbishment of a valuable community facility and avoid the Council incurring the costs of maintaining either the cricket square or pavilion, estimated at £5,000 p.a. The Club could let the pavilion to third parties for sports and recreational use consistent with its planning designation in order to help meet the cost of maintenance and optimise the use of the premises.

RESOLVED that -

the Director of Administration and Leisure, in consultation with the Chairman and Vice-Chairman of this Committee, be authorised to grant a 28 year Lease of the Pavilion to Englefield Green Cricket Club as outlined above and subject to the submission of a reasonable timescale for the proposed improvement works, together with such other detailed terms as he thinks fit.

487. URGENT ACTION - STANDING ORDER 42

The Committee noted that the following action had been taken by the Officer shown after consultation with the Chairman of this Committee under Standing Order 42.

<u>Officer</u>	<u>Action Taken</u>	<u>Central Index No.</u>
Director of Administration and Leisure	Agreement to the lifting of a resolution for the compulsory purchase of two derelict properties in New Haw in order to facilitate their sale and the subsequent redevelopment of the site.	598

488. COMMERCIAL PROPERTY PORTFOLIO REVIEW

(Ref: Minutes of Economic Development Committee, January 2003, page 945, para. 560, June 2003, page 125, para. 102 and September 2005, page 444, para. 266).

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 7 of Schedule 12A to Part 1 of the Act.

The Committee received details of the results of the annual revaluation of the Commercial Property Portfolio, the current rental levels, individual valuations and the Internal Rate of Return as required by the Asset Management Plan.

The portfolio was currently valued at £14.821m compared with £14.432m in 2004 and produced a total rent roll of £1,186,208.

With regard to the strategic holdings at 131-137, 153-155 Station Road and 1-5 Manton Terrace, Addlestone, one vacant unit had been let during the year but two others had become vacant. Potential occupiers had been identified and it was hoped to fully let these very shortly.

Members, mindful of the time consuming nature of the units concerned, were of the view that redevelopment should continue to be pursued on the understanding that Compulsory Purchase would be required to achieve development. In this regard a major supermarket chain were currently appraising the site with a view to establishing the viability of a comprehensive development of these and adjoining lands. A further report would be made to Committee, as and when appropriate.

Following Committee approval, in principle, to the disposal of 1-23 Station Road, Egham, discussions were proceeding with a number of interested parties with a view to bringing outline development proposals to the Committee in due course.

A better than forecast rent review of Sainsbury Centre, Chertsey, and River Bourne Health Club, had been reached. The Health Club had expressed an interest in provision of outdoor facilities on the former Bemonds Allotment site, to enhance the sporting opportunities in Chertsey. Officers would address this interest once decisions on any extended parking facilities had been confirmed. The position regarding the rent review of five flats at 40-58 Station Road, Addlestone, was noted. The Committee would be informed of progress on this matter.

Officers were pursuing an opportunity for a land swap between Lyne Farm and Ruxbury Farm, which would result in a more viable unit. Officers would report back to the Committee in due course.

The redevelopment of the former Tesco supermarket in The Precinct, Egham, was now complete and Mackays Department Store was a welcome addition to the town. Discussions were ongoing with the Head Lessees regarding the potential redevelopment of the car park with a new quality supermarket. Officers would bring back a detailed report if a financially viable scheme could be agreed.

With regard to 7-12 High Street, Egham, two tenants had given notice to quit which would result in the loss of rental income. Whilst the letting market was extremely difficult at the present time, a prospective tenant, Immigration Consultants Ltd., had been identified for Unit 10 High Street, Egham, which would reduce the loss of rental income. A term of three years had provisionally been agreed at an appropriate rent.

8 High Street, which was in private ownership, was currently on the market for £300,000. Bearing in mind the problems associated with letting, it was not considered prudent to acquire this property unless a substantially reduced price could be achieved.

Members were pleased that the properties continued to show returns considerably better than could be obtained in the money markets and no sales were therefore currently anticipated other than as reported.

RESOLVED that -

the Director of Administration and Leisure be authorised to grant a 3 year lease to Immigration Consultants Ltd. on the terms reported and subject to such other terms and conditions as he sees fit.

489. BOURNE AND MEMORIAL GARDENS CAR PARKS, VIRGINIA WATER - POTENTIAL DEVELOPMENT
(Ref: Minutes of Economic Development Committee, March 2005, page 884, para. 596)

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 9 of Schedule 12A to Part 1 of the Act.

The Committee was advised of progress in the potential development of the Bourne and Memorial Gardens Car Parks and adjoining Network Rail lands at Virginia Water, and considered the Heads of Terms.

The proposed development comprised a mixed use scheme of supermarket and residential development together with an appropriate level of parking to meet the needs of commuters, residents and visitors. There would also be new station facilities and interchange with disabled access and improvements to infrastructure and the street scene.

In order to progress the preparatory work, the Council had entered into an exclusivity agreement with the Developers which they were now seeking to extend to enable detailed proposals to be drawn up for consultation with a view to a planning application being made by the end of August 2006.

The Developer also wished to complete Heads of Terms with the Council prior to entering into a detailed Development Agreement.

Members noted that the Developer had sole negotiating rights on behalf of Network Rail and also had agreements with two other adjoining landowners which could enhance the scheme. Whilst the Developer had a preferred supermarket operator in mind they had carried out, at the request of the Council, market testing of the supermarket element to ensure best value. The initial results had proved that such an exercise was justified.

Officers proposed that an Agreement be entered into with the Developers, which would oblige the Council to dispose of the land to the Developer provided that the Council was satisfied as to the form and content of the development proposals and the financial terms.

The Heads of Terms would set out the proposed development programme and the basis of the financial agreement, details of which were reported.

Further negotiations were required before settling Heads of Terms and framing the Development Agreement. To facilitate further negotiations, the Committee reaffirmed its intention to dispose of the land subject to being satisfied as to the form and content of the development and financial terms and authorised Officers to enter into an Agreement and Heads of Terms with the Development Company. The formal Development Agreement will be subject to Committee approval and the Council would be able to withdraw at any time if the financial terms or the development was not acceptable.

The financial and legal implications associated with the potential development were noted.

RESOLVED that -

- i) the Director of Administration and Leisure be authorised to agree Heads of Terms for the land at Bourne and Memorial Gardens Car Parks and adjoining Network Rail lands; and**
- ii) detailed proposals be brought back to the Committee in due course for consideration.**

Chairman

(The meeting ended at 8.40pm)